

Arthur H. Adams
3047 Oakside Circle
Alpharetta, GA 30004
678-319-0984

June 4, 2005

The President's Advisory Panel
On Federal Tax Reform
1440 New York Ave. NW, Suite 2100
Washington, DC 20220

Subject: Comments on Tax Reform

Dear Advisory Panel Members:

Thanks for the opportunity to share my thoughts on tax reform as follows:

1. The corporate income tax should be abolished. Stockholders are already taxed on earnings. This would reduce the cost of our goods for export. It would also avoid double taxation on income.
2. I favor a flat tax on all income. The only deduction that I would continue would be interest paid on your principal residence (voting residence). I'm not sure how I feel about the capital gains write off on the sale of your principal residence every two years.
3. Personal exemptions should be eliminated for all, including dependents.
4. We should eliminate the earned income credit and most if not all other tax credits. I assisted with tax preparation this year and found that about 1/2 of taxpayers think that taxes are something you receive, not something you pay. Many left with refunds far exceeding their withholding.
5. I do not favor having the IRS prepare taxes. If I could, I would require all taxpayers to actually write the IRS a check every time they are paid.
6. I would like to find a way to tax the cash society. I feel that there is a significant reduction in tax revenues as a result of the cash society.

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM
2005 JUN 21 P 1:46

7. Finally, I would like to see some instruction in High School to explain how our tax system works and how to use a checkbook. My experience preparing taxes leads me to believe that many, if not most, do not understand how our banking and tax systems work.

Yours very truly,

Arthur H. Adams